

Message Text

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WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/ODF:RASWART

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FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 049863

E.O. 11652: NA

TAGS: APUB, BR

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT
BANK RELEASE ON THE DIRECT CREDIT OF \$4,050,000, TO DOW QUIMICA S.A.
RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON,D., FOR
A.M. PAPERS, TUESDAY, MARCH 18, 1975.

QUOTE: EXIMBANK CREDIT OF \$4,050,000 SUPPORTS \$13.5 MILLION
SALE OF U.S. EQUIPMENT FOR PETROCHEMICAL PLANT IN BRAZIL
TO HELP FINANCE A \$13.5 MILLION SALE OF U.S. GOOD AND SERVICES
REQUIRED IN CONNECTION WITH THE WXPANSION OF A PETROCHEMICAL PROJECT
IN

ARATU, BRAZIL, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
THE

UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$4,050,000, TO
FINANCE

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30 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN

WILLIAM J. CASEY. A CREDIT OF \$8.1 MILLION FROM CHEMICAL BANK
WILL FINANCE 60 PERCENT OF THE U.S. COSTS. THE OBLIGOR, DOW QUIMICA
S.A., WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10
PERCENT OR \$1,350,000.

DOW QUIMICA S.A., IS OWNED BY DOW CHEMICAL, N.V., WHICH IN TURN IS A
WHOLLY-OWNED SUBSIDIARY OF THE DOW CHEMICAL COMPANY.

THE PROJECT COMPRISES MANUFACTURING FACILITIES TO PRODUCE 150,000
METRIC TONS PER YEAR OF CAUSTIC SODA AND 135,000 METRIC
TONS PER YEAR OF CHLORINE. U.S. PURCHASES WILL INCLUDE COMPRES-
SORS, PUMPS, VALVES, STEEL PLATES, PIPING, CENTRIFUGES
AND CONSTRUCTION EQUIPMENT. THE U.S. SUPPLIERS HAVE NOT YET BEEN
FIRMLY
DESIGNATED.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING
NOVEMBER 10, 1976. EXIMBANK'S DIRECT CREDIT OF \$4,050,000 WILL BE
REPAID OUT OF THE LAST INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT
PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM
PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER,

BASED ON CURRENT RATES, OF ABOUT 9.76 PERCENT TO 10 PERCENT
PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY DOW
CHEMICAL COMPANY. UNQUOTE
INGERSOLL

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TAGS: APUB, BR
To: BRASILIA
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